

# House File 644 - Introduced

HOUSE FILE 644

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 235)

## A BILL FOR

- 1 An Act modifying provisions applicable to the renewable energy
- 2 tax credit, and including effective date and retroactive
- 3 applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476C.1, subsection 8, Code 2015, is  
2 amended to read as follows:

3 8. "*Heat for a commercial purpose*" means the heat in British  
4 thermal unit equivalents from refuse-derived fuel, methane, or  
5 other biogas produced in this state either for commercial use  
6 by a producer for on-site consumption or sold to a purchaser  
7 of renewable energy for use for a commercial purpose in this  
8 state or for use by an institution in this state. For purposes  
9 of this chapter, "*heat for a commercial purpose*" includes heat  
10 captured during the generation of electricity using methane gas  
11 or other biogas produced by a biogas recovery facility when  
12 such heat is used for a commercial purpose for which fuel or  
13 electricity would otherwise be consumed.

14 Sec. 2. Section 476C.2, subsection 1, Code 2015, is amended  
15 to read as follows:

16 1. A producer or purchaser of renewable energy may receive  
17 renewable energy tax credits under this chapter in an amount  
18 equal to the sum of the following:

19 a. ~~one~~ One and one-half cents per kilowatt-hour of  
20 electricity, ~~or~~.

21 b. ~~four~~ Four dollars and fifty cents per million British  
22 thermal units of heat for a commercial purpose, ~~or~~.

23 c. ~~four~~ Four dollars and fifty cents per million British  
24 thermal units of methane gas or other biogas used to generate  
25 electricity, ~~or~~ unless renewable energy tax credits are claimed  
26 for such electricity under paragraph "a".

27 d. ~~one~~ One dollar and forty-four cents per one thousand  
28 standard cubic feet of hydrogen fuel generated by and purchased  
29 from an eligible renewable energy facility or used for on-site  
30 consumption by the producer.

31 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
32 immediate importance, takes effect upon enactment.

33 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies  
34 retroactively to January 1, 2014, for tax years beginning on  
35 or after that date.

1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with  
3 the explanation's substance by the members of the general assembly.

4 This bill modifies provisions applicable to the renewable  
5 energy tax credit established in Code chapter 476C.

6 Currently, the Code chapter defines "heat for a commercial  
7 purpose" to mean the heat in British thermal unit equivalents  
8 from refuse-derived fuel, methane, or other biogas produced  
9 in this state either for commercial use by a producer for  
10 on-site consumption or sold to a purchaser of renewable  
11 energy for use for a commercial purpose in Iowa or for use  
12 by an institution in Iowa. The bill adds that "heat for a  
13 commercial purpose" also includes heat captured during the  
14 generation of electricity using methane gas or other biogas  
15 produced by a biogas recovery facility when such heat is used  
16 for a commercial purpose for which fuel or electricity would  
17 otherwise be consumed.

18 Additionally, currently the Code chapter specifies the  
19 dollar value of renewable energy tax credits which may be  
20 claimed per kilowatt-hour of electricity, or per million  
21 British thermal units of heat for a commercial purpose, or per  
22 million British thermal units of methane gas or other biogas  
23 used to generate electricity, or per one thousand standard  
24 cubic feet of hydrogen fuel. The bill provides that a producer  
25 or purchaser of renewable energy is not limited to claiming  
26 one form of these four differentiated credits but may instead  
27 receive more than one credit corresponding to each type of heat  
28 generated or captured by a renewable energy facility.

29 The bill takes effect upon enactment and applies  
30 retroactively to January 1, 2014, for tax years beginning on  
31 or after that date.